

No. 11,667

IN THE

# United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

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TODD C. FAULKNER,

*Appellant,*

*vs.*

JOHN T. GIBBS,

*Appellee.*

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## BRIEF FOR APPELLEE.

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BRIEF FOR APPELLEE.

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Statement of the Case.

Appellant's statement of the case in his brief is for the most part correct.

We dispute, however, his inference that the subject of the Gibbs patent is merely an electrified version of Bingo

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We feel impelled to make a parenthetical statement directed to appellant's comments in his brief to the effect that there are only two forms of accused Fawn games: the original or old game, and the altered "new" game. Since this appeal was taken, appellee learned for the first time that a third form existed prior to the trial. We do not believe Faulkner's counsel knew of it at the time he wrote the appellant's brief. The full details of this third game, which chronologically was the very first Fawn game built and operated, are not yet known to us, and what procedure should be followed in bringing this third game before the trial court or this court, we have not determined. We make this statement to inform this court that while the representation by appellant's counsel that only two forms of game are here involved, is correct so far as the record on appeal reveals, there is now known to be a third form, the construction and operation of which was concealed from appellee through the trial, and which, by appropriate means, appellee may take steps to bring into the case.

(Keeno or Tango). The suggestion is probably thrown in to minimize, at the outset, the Gibbs invention. Bingo was a lottery. The arrangement of numbers on the cards of the different players was varied. One player tossed for or otherwise selected *by chance* each number in turn which bound *all* the players. [Tr. 69, 100.]

The Gibbs game is competitive. Each player operates his own unit, the numbers to be lighted are identically arranged on all units, the holes for the ball to drop through are identically arranged, and each player throws or rolls his own ball. The numbers for the holes on the playing table of each unit are for the guidance of the player. The game is one in which skill plays a part. Obstacles are present on the board, which introduce elements of chance which are incidental and test the players' accuracy and skill, in a fashion similar to sand traps, water hazards and trees on a golf course. A player can avoid them but frequently does not, and when he does not, what happens cannot be prophesied.

As long as a large segment of the American public desires to patronize such games at resorts and amusement parks, the Gibbs game, called "Fascination" in most places, will be popular, because it is competitive and does depend upon skill—though obstacles or hazards may interpose themselves—because it moves rapidly, is readily understood, involves electric lights, and nobody can cheat.

We also challenge the statement in appellant's brief, page 5, that about the time the preliminary injunction



was granted, the defendant (appellant) changed the “construction” and “method of play” of the Fawn game, making it a “non-competitive” game—the one referred to as the altered or “new” Fawn game.

The physical elements of playing board, annunciator light panel, playing balls, and arrangement, remained identical. The electrical circuits remained the same with these exceptions which are immaterial; certain light bulbs were unscrewed from their sockets, one wire connection was shifted, and an electric time switch was added as an accessory. The method of play was the same as before: each player sat before his unit playing board, and rolled a ball into the holes, endeavoring by repeated rolling of the ball to light up five lights in a row and thereby become a winner. All the time switch did was to limit the period in which a game could be played. That was purely an addition to, not an omission from, the primary claimed features of the Gibbs patent. Its merits or demerits are, therefore, inconsequential here.

We cannot overlook one other error in appellant’s statement of facts, brief, page 7. He says, that the “*most* glaring of the trial court’s many errors” was in “holding narrow claims 9 and 10 infringed by the new Fawn game when broad claim 6 directed to exactly the same subject matter was held *not* infringed by the new game.” This statement of fact is argumentative, but less silence on our part be construed as acquiescence, we here traverse counsel’s conclusion. He was obsessed with this same misconception during the trial.

In the first place, claim 6 is not directed to exactly the same subject matter as claims 9 and 10. In the second place, claim 6 is more limited than claims 9 and 10 as to *one element* which the trial court found in the altered Fawn game in the broader sense of claims 9 and 10 but not in the limited sense of claim 6.

Appellant further transgressed the rules by arguing in the statement of the case, page 7, that an “equally basic error was made by the trial court in holding claim 3 infringed by the new Fawn game when obviously one of the essential elements of claim 3 is totally lacking in said game.” Suffice it to say, at this point, that counsel is wrong in assigning error and in brashly declaring that an essential element was lacking in the accused game. The “new” Fawn game *added* an electric time switch; it did not omit anything except that the signal light bulbs were unscrewed, and claim 3 does not include signal light bulbs as an element.

## Summary of Argument.

### I.

Validity of the patent is reinforced by

(1) Decision in *Gibbs v. T. Z. R. Amusement Corporation, et al.*, D. C. E. D., N. Y., Findings of Fact and Conclusions of Law. [Tr. Vol. II, p. 346; Pltf. Ex. No. 3.] Opinion reported in 14 Fed. Supp. 957 (1936).

(2) Consent judgments in several infringement suits, brought variously in the Eastern District of New York, the District of Connecticut, and the Southern District of California.

(3) Numerous licensed operations on royalty consideration, located variously in New York, Massachusetts, Connecticut, New Jersey, Ohio, California, and England. [Tr. 66.]

(4) Lack of anticipatory art. A certain Nakashima patent No. 1,678,573 [Tr. Vol. II, p. 376] which was a file wrapper reference, was named by appellant Faulkner's expert, Mr. Harold W. Mattingly, a patent lawyer, as one of the closest prior art. [Tr. 214, 219-20.] It had been considered by the Court in *Gibbs v. T. R. Z. Amusement Corporation, et al.*, *supra*, and the Gibbs patent distinguished. It and the remaining prior art patents were properly rejected by the District Court here.

(5) The law.

### II.

The Gibbs patent is infringed, as to claims 3, and 6-10 by the "old" Fawn game, and claims 3, 9 and 10 by the "new" Fawn game.

(a) The essence of the Gibbs invention is present in both Fawn games.

(b) Faulkner deliberately imitated and appropriated the principles of the Gibbs invention.

(c) The law on infringement.

Having summarized our points, we will next proceed to develop them.

## ARGUMENT.

### 1.

Validity of the Gibbs Patent No. 1,906,260 Is Reinforced by the Decision of the District Court for the Eastern District of New York in *Gibbs v. T. Z. R. Amusement Corporation*, 14 Fed. Supp. 957.

The Findings of Fact and Conclusions of Law in that case are reproduced as Plaintiff's Exhibit No. 3. [Tr. Vol. II, p. 346.]

The Court's opinion in that case points out that the Gibbs patented game came into commercial success by its introduction and operation in amusement parks during the years 1931 to 1935, inclusive, that much of the testimony had to do with the nature of the defendants' conduct in putting their game into operation after they had been afforded an opportunity to examine the Gibbs game in the concession operated by the corporate licensee at Coney Island during the month of June, 1935.

In the present case the defendant Faulkner put his game into operation after he had been afforded an opportunity to examine a copy of the plaintiff's game in

the concession operated by Loof, who became a Gibbs licensee, on the pike at Long Beach, California.

The Court further pointed out that the defendant's device is so like the plaintiff's that little or no contention is made on the subject of infringement; that such argument as the defendants make goes to the system of wiring only and as that does not form an element of any of the claims an exit from the litigation is not thus rendered available to the defendants.

In the case at bar the original Fawn game was so like the plaintiff's that no contention was made on the subject of infringement when the plaintiff Gibbs brought his motion for a preliminary injunction; and even though with the advice of an attorney or technical man Faulkner went through the motions of unscrewing some lamp bulbs, adding an electric time switch, and changing one wire connection, to evolve what he terms the "new" Fawn game, his defense of asserted non-infringement is feeble indeed, and, as did the defendants in *Gibbs v. T. Z. R. Amusement Corporation*, he leans heavily on asserted anticipation or want of invention.

But in doing so he is squarely confronted with a full and careful analysis by the District Court in the reported case wherein the court, after a description of Nakashima No. 1,678,573, concluded that allowance of the Gibbs patent over the Nakashima reference by the Patent Office was quite justified. This is the same Nakashima patent, a file wrapper reference, which was offered in evidence by the defendant Faulkner and which his expert witness, a well known local patent lawyer, selected as one of the closest references in the present case.

The Court in *Gibbs v. T. Z. R. Amusement Corporation* referred to another of Faulkner's prior art patents,

namely, Esmarian No. 1,612,912, and held that the Esmarian patent is even more remote than Nakashima. The Court also went to some length to explain Irsch No. 1,433,888 and to distinguish Gibbs over that reference, as well as others generally referred to without being identified.

A reading of the opinion in *Gibbs v. T. Z. R.* shows clearly that that case was vigorously defended, and while it was not appealed so far as the records show, that does not detract from its persuasiveness. Moreover, it is entitled to consideration by this Court of Appeals because of the soundness of the reasoning in the opinion.

## 2.

### **The Validity of the Gibbs Patent in Suit Is Reinforced by Consent Judgments in Several Infringement Suits Brought Variously in the Eastern District of New York, the District of Connecticut, and the Southern District of California.**

The testimony and stipulation concerning these suits in other jurisdictions are found at Tr. 70-71, the offer of the consent judgment in the two cases in this district is made Tr. 61-62 and such consent judgments, Plaintiff's Exhibits No. 4 and No. 5, are found in the Book of Exhibits at pages 355 and 358, respectively. By inadvertence of appellee's counsel only six of the seven consent judgments are enumerated in the Findings of Fact, [Tr. 34-35], but the record shows seven, a fact which is not contested by Gibbs, and whether six or seven, clearly demonstrates that infringers when put to the test by action being filed invariably capitulated, recognizing the Gibbs patent to be valid and that they had infringed the patent.



At the time of this trial the plaintiff Gibbs had no knowledge of any operations which he alleged to infringe other than the game operated by Faulkner, the defendant (appellant), known as the Fawn game. [Tr. 69.] Inasmuch as there were approximately 1500 units then in use located at amusement parks all over the United States and at one location in England, being operated under authority of Gibbs and utilizing the Gibbs patent, the capitulation of the defendants in the suits where consent judgments were obtained is strong evidence of what those defendants thought of the validity of the patent in suit, and should be persuasive upon this Court.

### 3.

**The Validity of the Gibbs Patent in Suit Is Reinforced by Numerous Licensed Operations on Royalty Consideration Located Variouslly in New York, Massachusetts, Connecticut, New Jersey, Ohio, California, and England.**

The specific locations are referred to at Tr. 66. Gibbs installed one of the games in Long Beach, California, in December of 1930 [Tr. 66] and the fact that licensed games are operating on the pike at Long Beach today [Tr. 67] further testifies as to the popularity of the game.

Prior to the grant of the patent Gibbs made two outright sales of the game and except for those two, royalties are paid on all of the licensed games. [Tr. 68.]

Commercial success of this character is always to the credit side of patent validity, and if there be any doubt as to validity should tip the scales in favor of sustaining the patent.

## The Validity of the Gibbs Patent in Suit Is Reinforced by Lack of Anticipatory Art.

A certain Nakashima patent No. 1,678,573 [Tr. Vol. II, p. 376], which was a file wrapper reference, was named by appellant Faulkner's expert, Mr. Harold W. Mattingly,<sup>1</sup> as one of the closest prior patents. [Tr. 214, 219-20.] It was considered by the Court in *Gibbs v. T. R. Z. Amusement Corporation, et al., supra*, and the Gibbs patent distinguished. The present case was tried on the defense theory that Nakashima was the only prior art patent which could be urged as an anticipation of Gibbs claim 3. Appellant now shifts ground in his appeal brief and urges that additional patents are anticipatory, which fundamental rules of procedure on appeal forbids;<sup>2</sup> but if this Court considers that as a guardian of the public interest it should consider these additional patents, we say that they are less pertinent than Nakashima, are advanced as an eleventh hour attempt to salvage a hopeless defense, and do nothing to disturb Gibbs' patent.

We are dealing here with *game* devices, and the game as a combination is to be regarded.

All that Nakashima discloses for the present purpose is a game which involves rolling balls into one or more

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<sup>1</sup>Mr. Mattingly, a Los Angeles patent lawyer, was attorney for the defendants in one of the consent judgment cases, *Gibbs v. Hicks et al.* [Tr. 358-60].

<sup>2</sup>When defendant's expert selects a patent or patents of the prior art as most like the patent in suit, the Circuit Court of Appeals confines its consideration to those patents.

*Campbell et al. v. Mueller et al.*, 159 F. (2d) 803, 72 U. S. P. Q. 295, 301 (C. C. A. 6), decided February 3, 1947, holding the patent there referred to valid and infringed.



holes and a visible signal or signals in an annunciator. The Nakashima amusement device is a single unit in which a player has three balls to roll. When a ball enters a hole it lodges there, is not returnable to the player, and may *or may not* encounter a switch in a live circuit. The ball must remain in the pocket to hold the switch closed, and if the player rolls the three balls and none of them happen to enter a live circuit pocket no lights are illuminated. In the Gibbs game a single ball is used which having entered a hole and having actuated an electric switch returns to the player for a replay. A switch once actuated remains to the credit of the player by the corresponding lamp remaining energized, and a player may continue successive rolls of the ball, observe the progress of the annunciator by the lighting up of the electric lamps and thus endeavor by proper propulsion and direction of the ball to achieve a winning row either horizontal, vertical or diagonal. He continues this effort in competition with other players operating on identical units, all of the units being electrically interconnected.

Hyashi No. 1,614,471 [Tr. Vol. II, p. 383] discloses what is called a Japanese Peanut Ping Pong Game in which the playing board is inclined downwardly away from the player instead of upwardly from, as in Gibbs, so that the objects played with are not returnable to the player. He is provided with three objects in the form of peanuts which are weighted so that, as the patentee says, instead of rolling in a direct path they will zig zag not only down the board but also partly across the same and never take the same course twice in succession. (Patent page 1, lines 53-56.) When the three peanuts or whatever number may be allotted to the player have been projected the game is over and the player is credited by adding

up the values attributed to the particular lights which have been illuminated. The weighted peanuts have to remain in the pockets in order to keep the lights lighted.

Esmarian No. 1,612,912 [Tr. 391] which was summarily disposed of by the Court in *Gibbs v. T. Z. R. Amusement Corporation, supra*, as being even more remote from Gibbs than Nakashima, makes provision for a plurality of balls to roll over a tally board to register a score. Any ball which falls into a pocket must remain there to maintain the electric switch closed, and the only balls which are returned to the player for re-rolling are those which have not entered a pocket. It further lacks Gibbs' features in that it is shown as a single unit and no suggestion is made of electrically interconnecting a plurality of units for competitive purposes, and it does not have an annunciator panel and arrangement of the Gibbs character wherein horizontal, vertical or diagonal lines of lights are energized to create a winner.

Mader No. 1,622,330 [Tr. 397] adds nothing to the prior patents already discussed. This conclusion is confirmed by reference to appellant's brief, page 27, where counsel says regarding Mader that it "likewise shows a game board," etc., and his description points up nothing in Mader not shown in Haysahi or Esmarian.

Schneider, *et al.*, No. 1,788,336 [Tr. 408] shows an electric ski ball game, its principal contribution, as pointed out by appellant in his brief at page 27, apparently being the fact that a single ball is used which returns to the player after it has actuated a switch located below one of the rings which are arranged in the conventional ski ball pattern.

McGregor No. 1,260,691 [Tr. 412] illustrates a target apparatus wherein each of a plurality of targets is nor-

mally illuminated, and bullet impact on the target operates an electric switch to deenergize the lamp of that particular target. We do not find McGregor referred to in appellant's brief and therefor assume that he no longer considers it pertinent as prior art.

Chester No. 1,598,711 [Tr. 424] is not a ball rolling game but is said to be in the nature of a test of the player's sense of timing by his operation of a hand-wheel which he endeavors to synchronize with the beat of a musical composition played by a mechanical piano or organ.

Wallace No. 1,697,701 [Tr. 436] illustrates a plurality of race tracks over which pigs are chased by farmers.

Higuchi No. 1,454,968 [Tr. 449] substitutes rabbits for pigs.

Prina, *et al.*, No. 1,518,754 [Tr. 469] shows a series of lamps, the last lamp of the series being the goal, and the mechanism is so arranged that in order to reach the goal and win a game the winning player must operate a crank with a gradual acceleration up to about the time that the last lamp is mechanically reached and thereafter he must maintain for a predetermined length of time a uniform speed in order to cause his winning lamp to be lighted. (Patent page 1, lines 31-40.)

Irsch, *et al.*, No. 1,458,884 [Tr. 486] is not the same Irsch patent referred to in *Gibbs v. T. Z. R. Amusement Corporation, supra*. The present Irsch patent is characterized by ducks on wheels mounted on tracks which are propelled under efforts of the players, the winner being the one who causes his duck to travel the full length of a track and causes the egg on the duck to be

discharged into a nest or cup which actuates an electric switch.

Chester, Wallace, Higuchi, Prina, and Irsch are apparently relied upon by appellant on the proposition that each of these patents provides an electric circuit open until a win has been made and that when there is a winner a light lights or a bell rings. (App. Br. pp. 28-29.) What appellant, of course, fails to acknowledge or bring to the Court's attention is the fact that every one of these discloses a game apparatus entirely different from that of Gibbs.

The appellant's contention that it was not invention at the time Gibbs entered the field to add the win signal circuits of the multi-unit games above discussed to the board and ball game units of Nakashima, Hayashi, Mader, and Esmarian, or the converse, is defective in two respects: (1) The Nakashima type of patent game is not the Gibbs type of patent game, nor is the Chester type of game the Gibbs type of game, and the combination of these two types is neither obvious, nor suggested, nor feasible. The players of the Gibbs type game compete for a result which is achieved through the exercise of skill in successively illuminating five annunciator lights in a row, horizontal, vertical, or diagonal, and when this has been accomplished a signal light or supplemental signaling means marks the winning annunciator panel and thereafter maintains the illumination of the winning annunciator panel while the non-winning panels are cut off either simultaneously or at the termination of a playing period as determined by an electric time switch (as in the "new" Fawn game); and since such a combination is neither suggested, nor obvious, nor feasible, when taking into

consideration all of the prior art games the contention of the appellant must fall of its own weight.

Steinmetz No. 1,630,869 [Tr. 500] illustrates an electrical baseball game.

Blackmore No. 1,280,136 [Tr. 515] is a patent for a rain signal, wherein drops of rain fall into a spoon and close a switch to ring a bell, and Lynch No. 1,685,329 illustrates an electric alarm mechanism. Why these patents are in the record we do not learn from an examination of appellant's brief and we will not take the time of this Court to further discuss them.

The foregoing constitutes all of the prior art in the record on appeal. An examination of such art furnishes ample support for Finding of Fact No. X in this case [Tr. 36] that none of the aforesaid prior art patents or the catalog (the latter is not included in the record on appeal) disclose or anticipate or suggest either singly or collectively the subject matter of the Gibbs patent No. 1,906,260 and furnish no basis for any finding or conclusion that the Gibbs patent lacks invention.

## 5.

### The Law in Support of Validity.

Findings of Fact provide a complete foundation for points 1 to 4 concerning validity. Finding VI [Tr. 34] deals with the prior adjudication and consent judgments, and Finding VII [Tr. 35] recites public acquiescence. Finding V [Tr. 34] relates to licensed operations. Finding X [Tr. 36] enumerates the prior art and recites that "None of the aforesaid prior art patents or the catalogue disclose, or anticipate, or suggest either singly or collectively the subject matter of the Gibbs Letters Patent No.



1,906,260, and furnish no basis for any finding or conclusion that the said Gibbs patent lacks invention."

Substantial evidence fully supports the findings.

Circuit Courts of Appeal have recognized the doctrine that in patent cases the findings of fact of the trial court, if supported by substantial evidence, should not be set aside unless clearly erroneous.

*O'Leary et al. v. The Liggett Drug Company*, 150 F. (2d) 656, 66 USPQ 198 (C. C. A. 6), certiorari denied 67 USPQ 360, 326 U. S. 773, 90 L. Ed. 467;

*Gasifier Mfg. Co. v. General Motors Corporation*, 138 F. (2d) 197, 199, 59 USPQ 259, 261-262 (C. C. A. 8);

*Antonsen v. Hedrick*, 89 F. (2d) 149, 151, 33 USPQ 180, 182, (C. C. A. 9);

*Ruth v. Climax Molybdenum Co.*, 93 F. (2d) 699, 702, 36 USPQ 128, 131-132 (C. C. A. 10).

The law of this circuit applicable here is stated in the opinion of Judge Wilbur in *Crowell v. Baker Oil Tools, Inc.*, 153 F. (2d) 972, 68 USPQ 385 (C. C. A. 9) decided February 28, 1946, as follows:

"The question whether or not a new and useful combination is the result of mere mechanical skill or of inventive faculty is one of fact." Citing *Thompson Spot Welder Co. v. Ford Motor Co.*, 265 U. S. 448, 449; *R. G. LeTourneau, Inc. v. Gar Wood Industries, Inc.*, 151 F. 2d 432 [67 USPQ 165] (C. C. A. 9); *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 151 F. 2d 91 [66 USPQ 396]

(C. C. A. 9); Walker on Patents, Deller Ed., Section 25, pp. 112, 115.

\* \* \* \* \*

“The finding of the trial court can only be reviewed by an appellate court when there is error manifest in the finding.”

The fact that appellee’s counsel prepared and submitted findings of fact for the consideration of the trial judge, and that such findings of fact were adopted by the trial judge as his findings, in no way detracts from their legal force or effect. *Simons v. Davidson Brick Company, et al.*, 105 F. (2d) 518, 43 USPQ 297 (C. C. A. 9).

When adopted, such findings become the findings of the court and are entitled to the same respect as if the Judge himself had drafted them. *O’Leary v. Liggett, supra*, citing *Simons v. Davidson, supra*.

In *Page v. Myers*, 155 F. (2d) 57, 69 USPQ 63 (C. C. A. 9), decided March 27, 1946, by Judges Garrecht, Healy and Bone, opinion by Judge Garrecht, this Court held valid and infringed a patent on a logging trailer. In that case the patent claims had been declared valid in an earlier case by the District Court. In the case in which the opinion of the Court of Appeals was rendered, the District Court made findings which the Court of Appeals declared had support in the evidence, that the art prior to the patent in suit did not cover the combination defined in the patent claims in suit. This Court reviewed some of the landmarks of the patent law. One of the cases discussed was *The Loom Company v. Higgins*, 105 U. S. 580, which set forth the test for dis-

tinguishing patentable combination and mere aggregation. This Court also referred to another decision of its own,<sup>3</sup> wherein a patent was upheld, and applying the doctrine of the *Webster Loom* case announced its conviction that the lower court correctly found invention. Judge Garrecht commented:

“It is well settled that what constitutes invention as distinguished from a mere aggregation is a question of fact, and since there is evidence to support the lower court’s finding that there was a new result attained and therefore a patentable combination, we affirm that judgment.”

*Cusano v. Kotler*, 159 F. (2d) 159, 72 USPQ 62, (C. C. A. 3), decided January 7, 1947, is a well documented opinion sustaining the validity and finding infringement of a patent on a **game board**.

This case is pertinent in reflecting the attitude of a Circuit Court of Appeals on a game patent.

The subject matter of the plaintiff’s patent was a game table for playing a game somewhat like shuffleboard. He combined some of the features of shuffleboard with some of those of the billiard table and produced a game board which was short enough to go into a fair sized room. One end of the playing surface was enclosed by cushions on three sides, which cushions operated as a rebounding medium, the same way as the cushions on a billiard table operate. The opposite end, which could be called the playing end, was surrounded by gutters in the same fashion as a shuffleboard. The scoring space was at this playing end. The game was played in the similar fashion

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<sup>3</sup>*Wire Tie Machine Co. v. Pacific Box Corporation* (C. C. A. 9), 102 F. (2d) 543, 552; 41 U. S. P. Q. 66, 74-75.



to shuffleboard except that the disc gets into the scoring area by rebound from the cushions instead of by direct application of force from the player.

In that case the defendant cited prior patents showing games with various features which the defendant insisted could be assembled into the plaintiff's game without requiring invention.

In rejecting the defendant's arguments the Court of Appeals recognized in passing that invention is supposed to be a question of fact, though the fact finding by the Patent Office and the trial court is seemingly not taken with compelling seriousness by appellate courts in considering patent cases. The Court of Appeals proceeded to its own analysis, recognizing initially that shuffleboards and billiard tables are in the public domain, and restating the defendant's argument that all the patentee had done was to take a piece of each of these old contrivances and put them together. In commenting on this argument, the Court said:

"The argument has its elements of persuasiveness, but we do not think it is to be applied here. We think the plaintiff's table has offered a contribution to the game playing art, and it is an art, that is new and different. The facilities offered by this table are not a form of billiards and certainly, if shuffleboard, a highly modified form of shuffleboard. We cannot ask anyone to produce an entirely new kind of game for we think a few basic ideas underlie most of them. But the plaintiff's invention did provide for playing something different from what existed before and, therefore, he can properly be found to have invented something."

We have an analogous situation in the case at bar where the appellant argues that because the Gibbs patent game borrows something from "Bingo," electrifies it, and utilizes a ball to be rolled into holes over a playing surface which can be found in general in other patents, that Gibbs created nothing new.

Paraphrasing the language of the Third Circuit Court of Appeals we may say that the facilities offered by the Gibbs game are not a form of the electrified ball rolling games of the prior patents and certainly, if "Bingo," a highly modified form of "Bingo." The Gibbs invention did provide for playing something different from what existed before and, therefore, he can properly be found to have invented something.

The Court further commented in a footnote on the commercial success of the plaintiff's patented game, referring to the testimony of the plaintiff as to the sales of his game tables and concluding:

"These factors of commercial success may be used as evidence of invention when other relevant factors leave the question of invention in doubt. *Smith v. Goodyear Dental Vulcanite Company*, 93 U. S. 486 (1876); 1 *Walker on Patents* (Deller's ed. 1937) 234-239."

These decisions constitute authority for the conclusion that in the case at bar the "alternate findings" proposed by Faulkner's attorney have no place in the record, the findings which the trial judge adopted should be given full legal effect, substantial evidence supports them, and they should not be set aside; that a patent on a game is entitled to favorable consideration; and that a new combination as defined in the Gibbs patent displays patentable invention and should be sustained.

Appellant urges (Br. pp. 8 and 46) that claims 9 and 10 are ambiguous. The patent examiner did not find them so, the District Court in *Gibbs v. T. Z. R.*, *supra*, did not find them so, and Judge Yankwich rejected appellant's argument. [Finding VIII, Tr. 35.]

## INFRINGEMENT.

### 1.

Infringement Occurred as to Claims 3 and 6-10 by Manufacture and Use of the "Old" Fawn Game, and as to Claims 3, 9 and 10 by Manufacture and Use of the "New" Fawn Game.

(a) The Essence of the Gibbs Invention Is Present in the Fawn Games.

This essence comprises a game board with holes arranged in a pattern similar to the pattern of electric lights on an annunciator panel, a single ball for the player to throw or roll over the board and which when dropping through a hole will actuate an electric switch, dropping past it and returning to the player for a successive roll. electrical circuits whereby a lamp is energized when the corresponding switch is closed, and means such as a relay to maintain the circuit closed, (an overbalanced switch or a switch of a releasable spring clamp type will perform the same function and is equivalent), the circuits being grouped so that when a line of lights is energized a win circuit is established, a signal of some sort results, and the winner or winners of a plurality of these game units which are electrically interconnected, remain lighted after the non-winners are de-energized. In one form of the Fawn game the win circuit itself operates a relay switch to cut off the non-win circuits, but in the variation

introduced by the "new" Fawn game, the non-winners are cut off by a time switch while the win circuit or circuits, conditioned or controlled by other means, are maintained. The two are equivalent.

This essence of invention is clearly defined in the claims when read in the light of the description and drawings; and not only is the same invention present in both Fawn games but the claims read directly on them.

The Gibbs claims in suit were not narrowed in the face of any rejections, and no file wrapper estoppel can be invoked to restrict them, as suggested in appellee's brief, page 31.

Claim 3 was originally numbered 9; it was rejected only for a technical defect, the examiner saying (file wrapper, page 26) that in line 10 the circuit mentioned is but indirectly introduced. A slight correction resulted in allowance.

Claims 6 (original 12), 7 (original 13), 8 (original 15), 9 (original 16), and 10 (original 17) were allowed as originally filed.

Appellant devotes pages 65 to 70 of his brief to argument that claim 3 is not infringed by the "old" Fawn game, and pages 58 to 64 to argument that claim 3 is not infringed by the "new" Fawn game.

By silence he concedes that all the elements of the claim are found in the old Fawn game except two, namely "means for energizing said indicators as the associated contract devices are operated," and "an electric circuit common to all of said groups and open until all of the indicators in one of said groups have been energized."

His point is that the "means" referred to is an electric-relay and that because the Fawn game substitutes an

overbalanced switch there is no equivalent. He argues that the claim calls for two separate elements, (a) a switch which closes momentarily under dropping action of a ball, and (b) a relay actuated upon momentary closing of the switch to energize (keep illuminated) the lights—whereas, he says, the Fawn switch and holding means are one.

He overloops several things: First, that making in one part what the claim describes as two parts does not avoid invention.

“Neither the joinder of two elements of a patented combination into one integral part, accomplishing the purpose of both, nor the separation of one integral part into two, which together accomplish substantially what was done by the single element, will avoid a charge of infringement.” (Citing cases.)

*Pedersen v. Dundon*, 220 Fed. 309, 311 (C. C. A. 9).

Second, that the switch in the Fawn game may be considered the metallic contact member, and the extension of the fingers to overbalance them and hold them down when once depressed can be considered as a second member.

Third, the word “means” in claim 3 must be construed more broadly than the corresponding word “relays” in claim 1 (not in issue) and such word “means” comprehends an overbalanced or self-weighted switch as an equivalent.

Foreseeing this analysis, appellant argues that such a construction of the claim to make it cover the Fawn game brings it into the prohibited area of the Nakashima reference because Nakashima holds his switches down to keep



the lamps energized. Aside from the fact that the Nakashima game is entirely different, as already described, and therefore does not compel Gibbs' "means" to be regarded as the crux of his invention, appellant's argument falls of its own weight when attention is called to the following fact: Nakashima causes the balls to lodge in the pockets on his switches and *the balls hold them down*, whereas in the Fawn game, as in Gibbs', only one ball is played over and over, and the *fingers on the switches* by the weight of their overbalanced condition when once depressed hold the Fawn switches down.

The Gibbs element defined as "means" is thus seen to be absent from Nakashima, and present in Fawn.

The second element of claim 3 which appellant argues is absent from Fawn is the "electric circuit common to all of said groups" and open until all of the indicators in one of the [win] groups have been energized. We fail to follow this argument. The Fawn game has a win circuit *comprehensive* of and therefore common to all of the [win] groups and this circuit is open until all of the indicators in one of the [win] groups have been energized. Exactly the same result is achieved in both games, the winning unit remains lighted, a signal lamp flashes on, and the non-winners are cut off.

The use of a pin and bar arrangement in the Fawn games to trip a mercury switch which sets up or conditions the win circuit, instead of using a relay for the purpose as illustrated in the Gibbs patent, does not avoid infringement of the claims in suit.

In *Mills Novelty v. Monarch Tool*, 76 F. (2d) 653, 25 USPQ 225 (C. C. A. 6), the defendant had infringed a patent on a circuit-controller for automatic musical instruments. The defendant then modified its device to

eliminate a mechanical coin-actuated control, and employed an electrically (magnet) actuated control. The Court held this to be equivalent, saying:

“The claims of the patent in suit are not limited to a circuit-controller mechanically operated. It is quite true that the specification recites mechanical operation as one of the objects of the invention, and the use of electric current as a disadvantage to be avoided. This, however, is not its sole object. While the claims are to be read in the light of the specification, to ascertain their true meaning, they are not thereby to be expanded or limited. *Permutit Co. v. Graver*, 284 U. S. 52; *Chicago Forging & Mfg. Co. v. Bade-Cummins Mfg. Co.*, 63 Fed. (2d) 928 (C. C. A. 6). There is no limitation in any of the claims of the patent in suit with respect to the means by which the escapement mechanism may be actuated or the tripping lever pivoted. We may not read limitation in them. Nor is infringement avoided merely because all of the objectives of the patent are not achieved. *Telescope Cot Bed Co. v. Gold Medal Camp Furniture Mfg. Co.*, 229 Fed. 1002 (C. C. A. 2).”

When we come to the “new” Fawn game, we find identical comparative elements as discussed above. They have not been changed in any way.

However, appellant discovers another element to be missing, namely, “supplemental means for indicating a winning play when all of the indicators in one of said [win] groups have been energized. He admits that his signal lamps of the original game fulfilled this definition, but because he altered the game by unscrewing the bulbs says that he now has no supplemental means.

He ignores the rule pointed out above, that the claims of a patent are to be distinguished. Applying this rule, we call the Court's attention to the corresponding feature closely defined in claim 2 (not in issue) as "a master signal." It is obvious upon inspection that "supplementary means for indicating" is a broader term. No such things as a *master signal* lamp or bell are required. **The appellant employs a relay which makes an audible clicking sound and flickers the lights in the winning unit.** His excuse that this occurs because he uses cheap relays is feeble indeed. It is what elements are present, and how they operate, that controls, not the reasons why he does not employ something which would not infringe.

The fact that the relay which makes the noise and flickers the lights *is located in* the circuit common to all of the groups referred to above, does not avoid infringement. The same relay is, and has to be, also located in another circuit from which it derives its actuating energy. The presence of the relay, and its operation when energized by the completion of a win group, constitutes a supplementary means for indicating a winning play. In showing one to be equivalent to the other, it is not necessary that the infringing elements, especially if they are electrical circuits, can be matched by superimposing a diagram of one over the other and finding no deviation. Such would hardly ever be possible. It is sufficient that the purpose, result and means are similar.

Claim 6 is said by appellant (Brief p. 71) to cover the interconnection of a group of the Gibbs game units defined by claim 3. In a general way this is true, but claim 6 is more specific than a mere grouping of such units in that it calls for "means whereby when all of the indicators in any group of any one of said units have



been operated to complete a winning play, the indicators on all of the units except the winning unit will be deenergized, while the indicators at the winning unit will remain energized, for the purpose described.”

This element is primarily the circuit which is established upon a win combination, a relay in which cuts off the non-winning enunciator light circuits and maintains the win unit enunciator lights energized.

The identical element is present in the old Fawn game.

Claim 7 adds to claim 6 an *independent* supplementary signal at each of the units for signalling a winning play to the players.

This signal may be identified as the signal lamp on top of each unit, which is present in the patent game, and was also present in the old Fawn game.

Claim 8 builds upon claim 7 means under the control of an operator for opening and closing the circuits of all of the units simultaneously at will.

This means is a master switch, present in both the patent and in the old Fawn game.

Claim 9 has some of the principal elements of claim 6 in that it defines a plurality of electrically connected units (of the order of claim 3), but is broader than claim 6 in the final element “means *controlled by* [emphasis added] the closing of the signal circuit of the winning unit for discontinuing the signals and opening the circuits of the indicators on all other units.”

Thus, referring back to claim 6, the transfer circuit functions *by reason of* or *by action of* the completion of a win circuit, and is constituted to perform *two* functions: *i. e.*, (1) to deenergize the non-winners, and (2) to maintain the win unit energized. In claim 9, the same general

circuit is described more broadly, and functions not by reason of or by action of the completion of a win circuit, but is *merely controlled by* a win circuit, and need be constituted to perform only *one* function, *i. e.*, to control or condition the opening of the non-winner circuits. The same meaning as “controlled by” would be properly expressed as *conditioned by*. It controls to the extent of severing the circuits and thus conditioning the win circuit to remain energized, the others to be deenergized when the time switch is thrown.

Thus, claim 9 is infringed not only by the old Fawn game, which it obviously comprehends in view of the discussion of claim 6, but is also infringed by the new Fawn game.

In this new Fawn game, the circuit which opens the non-winner circuits *is prepared or conditioned by*, and consequently *controlled by*, the win circuit or circuits. The time switch, which is merely an accessory, may delay the action, but when a pre-determined time elapses, the cut-off circuit functions under the control of the win circuit or circuits. Claim 9 is thus clearly infringed by the new Fawn game.

Claim 10 adds to claim 9 the audible signal, present in both Fawn games, and thus is infringed by both.

**(b) Appellant Faulkner Deliberately Imitated and Appropriated the Principles of the Gibbs Inventions.**

Faulkner set out to build a game similar to Loof's, which was on the pike at Long Beach [Tr. 93]. Loof was a deliberate infringer as admitted by his associate Wiser [Tr. 80], and the consent judgment in *Gibbs v. Loof* [Tr. 355-357], and Faulkner set out to copy Loof.

Appellant concedes in his brief, page 16, that testimony to this point was admitted by the Court but says that it fell short of proving Gibbs' contentions. But there is ample testimony, witness Douglas Wiser [Tr. 80 *et seq.*], witness (appellant) Todd C. Faulkner [Tr. 93], stipulation of appellant's counsel [Tr. 93], and the trial court's comment [Tr. 201]. There is *no* evidence to the contrary.

**(c) The Law Supports Appellee's Contention That Appellant Has Infringed.**

The trial court made a finding that claims 3. and 6 to 10 are infringed by the "old" Fawn game, and that claims 3, 9 and 10 are infringed by the "new" Fawn game, Finding XIV [Tr. 38]. The Court's finding as to Faulkner's derivation of the game from the Gibbs patent is Finding XIII [Tr. 38].

These findings are supported by substantial evidence, and should not be disturbed.

The Gibbs patented game is not physically before this Court, and only a portion of the Fawn game is physically present. While some of the evidence revolves around the copying of the Gibbs game by Faulkner, much of it has to do with technical interpretations of electrical circuits, explanations of their operation, the effect of changing a terminal connection of a wire, and the effect of adding an electric time switch as an accessory.

Under such circumstances the findings of the District Court should be accorded much weight. This rule, and other pertinent points are discussed at length in *Stuart Oxygen Company Ltd. v. Josephian*, 162 F. (2d) 857, 74 USPQ 117 (C. C. A. 9), decided June 18, 1947, by Judges Stephens, Healy and Bone, opinion by Judge Bone.

Concerning the rule as to the weight of findings of the trial court to be accorded by the Circuit Court of Appeals, the opinion discusses this point as follows:

“The material and decisive question presented and argued before this court is whether appellant’s device infringed appellee’s patent. Appellee relies upon *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 9-Cir., 151 F. 2d 91, 95 [66 USPQ 396, 400], and urges upon us the rule there expressed that questions of infringement are questions of fact, and therefore in accordance with the Federal Rules of Civil Procedure, Rule 52 (a), this court will not set aside the determination of the trial court unless it is ‘clearly erroneous.’ However, an examination of the Brodie case and the cases therein cited discloses that Judge Mathews made an application in the Brodie case of the correct rule earlier enunciated in *Nicholl, Inc. v. Schick Dry Shaver*, 98 F. 2d 511 [38 USPQ 510] (referred to in the Brodie case) where he set forth the rule and exception in the following terms [38 USPQ at 512]:

‘The question of infringement was in this case, as it usually is a question of fact. *Reinharts v. Caterpillar Tractor Co.*, 9 Cir., 85 F. 2d 628, 630 [31 USPQ 264 at 266]. The case does not, as claimed by appellant, fall within the rule that, where the facts are undisputed, and the case can be determined by a mere comparison of structures, and extrinsic evidence is not needed for purposes of explanation or to resolve questions of the application of descriptions to subject-matter, the question of infringement may be determined as a question of law. *United States v. Esnault-Pelterie*, 303 U. S. 26, 30 [36 USPQ 212, 214].’ (Emphasis supplied.)

“(1) The testimony before the trial judge revolved around the exhibits (full size commercial units) and embraced a discussion of the meaning of the term ‘stability’ as used in the claims in the patent, the absence or presence of prior art, and appellee’s charge that appellant deliberately copied his device. The terms of the patent and the respective devices of the parties are also before us for our inspection. The facts are clear and undisputed and the question of infringement in this case can be determined by a comparison of structures and is a question of law. Therefore this court will examine for itself the device of appellant and determine as a matter of law whether it infringes the patent of appellee.”

While the issue of infringement here will stand the test of examination by this Court, we think that the circumstances bring it within the rule of the *Brodie* and the *Nicholl* cases, *supra*, because extrinsic evidence is needed for purposes of explanation or to resolve questions of the application of descriptions to subject-matter.

If this Court prefers to determine as a matter of law whether the appellant infringes, we rely upon our explanation of the similarities between the Fawn games and the Gibbs patent claims in suit, and the elementary rule of the doctrine of equivalents which needs no citation to this Court.

As to the copying of the Gibbs game by Faulkner, the *Stuart Oxygen* case is also in point. In that case the validity of a patent on a tank truck was sustained and infringement found. The infringing device was manufactured for the defendant by a mechanic who had made the plaintiff’s original model of the patented device, and who later left the plaintiff under strange circumstances



and went to work for the defendant. Thus the defendant had made for him an infringing device by one who had knowledge of the patented apparatus.

While this Court made no legal point in its opinion, based upon this fact, it evidently considered the fact sufficiently pertinent to refer to the same in its opinion. Consequently, in the case at bar the intentional and deliberate copying of the Gibbs game apparatus by Faulkner through the services of one Hatherell is pertinent here. Hatherell was assigned by Faulkner the job of making a game apparatus like the Loof game on the Pike of Long Beach. The Loof game was an infringement of the Gibbs patent.

This Court will not be misled by any argument of appellant to the effect that the derivation of the accused device is not material. Such law applies to one who claims to be an innocent infringer and the doctrine is that infringement is not avoided because a defendant had no knowledge that he was infringing.

Regarding appellant's addition of the electric time switch, and removal of the separate win signal lamps, one who appropriates the substance of a patented invention cannot avoid a claim of infringement by deliberately impairing the function of one element without destroying the substantial identity of the structure, operation and result.

*Clarage Fan Company v. B. F. Sturtevant Company*, 148 F. (2d) 786, 65 USPQ 203, 207, (C. C. A. 6). Certiorari denied. 326 U. S. 727, 67 USPQ 359.

Another case in point here is *Minnesota Mining & Manufacturing Company v. International Plastic Corporation et al.*, 159 F. (2d) 554, 72 USPQ 97 (C. C. A. 7),

decided January 9, 1947. The Circuit Court of Appeals for the seventh circuit in sustaining and holding infringed a patent on adhesive sheeting referred to several points which adequately answer Faulkner arguments in the present case. First, the fact that defendant's article might be an improvement does not avoid infringement. Consequently, whether or not the addition of the electric time switch by Faulkner in his altered FAWN game is or is not an improvement is inconsequential. Second, commercial success should not be ignored; and third, concerning the weight given to the findings of the District Court held that if the fact finding is supported by evidence and given by the Court it becomes a finding of the Court regardless of its author being the prevailing party's attorneys, and the appellate court is bound to consider it. In that connection the Court of Appeals said:

“(5) This defendant further contends that, because the court ‘without any supplementing opinion, signed and entered findings of fact and conclusions of law substantially identical to those submitted by plaintiff's attorneys’ this defendant ‘is entitled to consideration of this case by this court \* \* \* as that no findings of fact had been made by the District Court.’ We know of no such law. If a finding of fact is supported by the evidence and given by the court, it thereby becomes the finding of the court, regardless of its author, and we are bound to consider it. We think these findings are amply supported by the evidence.”

Finally we cite this Court's decision in *McCullough v. Kammerer Corp.*, 138 F. (2d) 482 (C. C. A. 9): certiorari denied May 8, 1944. 322 U. S. 739, 88 L. Ed. 1573.

That case was tried by Judge Yankwich, who tried the case at bar. His opinion, holding valid and infringed

a patent covering a device for cutting pipe in the well and removing cut-off sections of pipe, is reported at 39 Fed. Supp. 213. This Court affirmed the decision.

The patent was for a combination of elements which as separate elements could be found in the prior art. The combination was held to be new, the tool achieved commercial success, the defendant learned the art while in the employ of one of the plaintiffs, and the accused tools took the substance of the patent.

In the case at bar the Gibbs patent is for a combination of elements some of which as separate elements can be found in the prior art. The Gibbs game, as a combination, is new, it has achieved commercial success, Faulkner learned the art by copying an infringing game, and in so doing took the substance of the patent.

The judgment of the District Court should be affirmed.

Respectfully submitted,

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Los Angeles, California,  
May 14, 1948.